

Financial Management Strategies, Inc.

Form CRS – Client Relationship Summary

March 30, 2022

Introduction

Financial Management Strategies, Inc. (“FMS”) is an investment adviser registered with the Securities and Exchange Commission. We feel it is important for you to understand how advisory and brokerage services and fees differ in order to determine which type of account is right for you. There are free and simple tools available to research firms and financial professionals at www.investor.gov/CRS which also provides educational materials about investment advisers, broker-dealers, and investing.

What investment services and advice can you provide me?

FMS offers investment advisory services to retail investors. These services include investment management and financial planning. If you open an advisory account with FMS, we’ll meet with you to gather information and understand your current financial situation, existing resources, goals and investment objectives, and risk tolerance. Based on what we learn, we’ll recommend a portfolio of investments that is monitored on an on-going basis. The frequency of account reviews depends on several factors including market conditions and your requests. At least annually, we will contact you to discuss your portfolio and, if necessary, rebalance or modify the portfolio to meet your changing needs, stated goals and objectives, and risk profile.

We provide investment advice on both a discretionary and non-discretionary basis. For discretionary accounts, we are allowed to buy and sell investments in your account without asking you in advance. We do allow you to place limitations on our discretionary authority, such as restricting the purchase of a particular security or investments in a specific market sector. For non-discretionary accounts, you make the ultimate decision regarding the purchase and sale of investments. You select in our investment management agreement how your portfolio will be managed and specify any limitations.

Our firm does not have a minimum account size or investment amount to establish a relationship. We do restrict our product offerings. For example, we don’t allow any illiquid investments or variable annuity policies. We also have some financial professionals that are not registered to sell certain investments such as general securities, bonds, or exchange traded funds.

Financial planning is offered as a separate service for an additional fixed or hourly fee. Planning fees are determined by the type and amount of services performed and the time required to complete the planning work. We do not monitor your investments as part of our financial planning services.

Additional information about our advisory services is located in Item 4 and Item 7 of our firm brochure or via the following link: <https://adviserinfo.sec.gov/firm/summary/120818>

Questions to Ask Us:

- ❖ **Given my financial situation, should I choose an investment advisory service? Why or why not?**
- ❖ **How will you choose investments to recommend to me?**
- ❖ **What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?**

What fees will I pay?

You will be charged an ongoing quarterly fee in advance that is automatically deducted from your advisory account based on the value of the assets we manage. The maximum annual asset fee we charge is 1.5%. The more assets you have in your advisory account, the more you will pay us. There is an incentive to increase the assets in your account in order to increase our fees. Our fees vary based on the services you receive and amount of assets in your account. These fees are negotiable. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

In addition to our advisory fees, the broker-dealer that holds your account may charge you a transaction fee when we buy or sell investments in your account. There also may be custodial fees, account maintenance fees, fees related to mutual funds and exchange traded funds (ETFs), and other transactional related fees. These fees will reduce the value of your investments over time.

Financial planning fees are determined based on the nature of the services being provided and the complexity of your financial situation. For services based on an hourly fee, the charge is between \$75 and \$250 per hour. For services based on a fixed fee, the charge is between \$250 and \$10,000.

Additional information about our fees is located in Item 5 of our Firm Brochure or via the following link: <https://adviserinfo.sec.gov/firm/summary/120818>.

Questions to Ask Us:

- ❖ **Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here is an example to help you understand what this means. Our firm's financial professionals are also registered representatives with a broker-dealer and licensed insurance agents who sell insurance products. They receive commission compensation for the sale of other investment and insurance products. There is an incentive to recommend other investment and insurance products to you in order to increase their compensation.

Additional information about our conflicts of interest is located in Items 10 and 11 of our Firm Brochure or via the following link: <https://adviserinfo.sec.gov/firm/summary/120818>.

Questions to Ask Us:

- ❖ **How might your conflicts of interest affect me, and how will you address them?**

How do your financial professionals make money?

Our financial professionals are paid a percentage of the revenue our firm earns from their advisory services or recommendations. Financial professionals are compensated for advisory business based on the amount of assets they manage or revenue the firm earns. They also receive commission compensation for the sale of other investment or insurance products. This creates a conflict with your interests since financial professionals have an incentive to increase the amount of assets they manage for you or refer new clients to the firm and to sell you other investment or insurance products. You should understand and ask us about how these conflicts can affect the recommendations and investment advice we provide you.

Do you or your financial professionals have legal or disciplinary history?

Yes. Additional information is included in Item 9 of the Firm Brochure or via the following link: <https://adviserinfo.sec.gov/firm/summary/120818>. One or more of our financial professionals have disclosures on their registration application Form U-4. Visit www.investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Questions to Ask Us:

- ❖ **As a financial professional, do you have any disciplinary history? For what type of conduct?**

Additional Information

You can find additional information about our firm's investment advisory services on the SEC's website the following link: <https://adviserinfo.sec.gov/firm/summary/120818>. You may also contact our firm at 216-642-1099 to request a copy of this relationship summary and other up-to-date information.

Questions to Ask Us:

- ❖ **Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?**